GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2204
ANSWERED ON:14.03.2008
UBS BRANCH IN INDIA
Ajaya Kumar Shri S.

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Bank of Switzerland has been awarded approval for opening of its branches in India; and

(b) if so, the details thereof alongwith the terms and conditions thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF Finance (Shri Pawan Kumar Bansal)

(a) & (b): Yes, Sir.Reserve Bank of India (RBI) has issued a licence to the UBS Bank AG of Switzerland to upgrade its representative office in Mumbai to a branch.The terms and conditions applicable to UBS Bank AG are same as applicable to any other foreign bank for opening a maiden branch in India such as obtaining a licence under Section 22 of the Banking Regulation Act, 1949, bringing in US$ 25 million as assigned capital,etc.Further,the foreign banks have to take permission from RBI for appointment of the Chief Executive Officer (CEO) before commencement of business, and are also required to comply with the directives and other guidelines issued by RBI on maintenance of Cash Reserve Ratio (CRR) / Statutory Liquidity Ratio (SLR), various categories of advances / deposits, interest rates chargeable on advances and payable on deposits, priority sector advances, income recognition, assets classification, provisioning for bad/doubtful debts on a prudential basis, transparency in the Balance Sheet, capital adequacy, acquisition of immovable properties in India, engagement of ex-patriates and deployment of foreign funds in Indian business, etc.